



General Assembly

February Session, 2002

***Raised Bill No. 610***

LCO No. 2519

Referred to Committee on Finance, Revenue and Bonding

Introduced by:  
(FIN)

***AN ACT CONCERNING REAL ESTATE CONVEYANCE TAX  
TREATMENT OF CERTAIN LEASES OF PROPERTY BY  
ASSOCIATIONS.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 12-494 of the general statutes is repealed and the  
2 following is substituted in lieu thereof (*Effective from passage*):

3 (a) There is imposed a tax on each deed, instrument or writing,  
4 whereby any lands, tenements or other realty is granted, assigned,  
5 transferred or otherwise conveyed to, or vested in, the purchaser, or  
6 any other person by his direction, when the consideration for the  
7 interest or property conveyed equals or exceeds two thousand dollars,  
8 (1) subject to the provisions of subsection (b) of this section, at the rate  
9 of five-tenths of one per cent of the consideration for the interest in real  
10 property conveyed by such deed, instrument or writing, the revenue  
11 from which shall be remitted by the town clerk of the municipality in  
12 which such tax is paid, not later than ten days following receipt  
13 thereof, to the Commissioner of Revenue Services for deposit to the  
14 credit of the state General Fund, and (2) at the rate of eleven one-  
15 hundredths of one per cent of the consideration for the interest in real

16 property conveyed by such deed, instrument or writing, which  
 17 amount shall become part of the general revenue of the municipality in  
 18 accordance with section 12-499. The tax imposed by this section shall  
 19 apply to the purchase of a lease of real property where the lessor is an  
 20 association and the lessee is a member of the association.

21 (b) The rate of tax imposed under subdivision (1) of subsection (a) of  
 22 this section shall, in lieu of the rate under [said] subdivision (1) of  
 23 subsection (a) of this section, be imposed on certain conveyances as  
 24 follows: (1) In the case of any conveyance of real property which at the  
 25 time of such conveyance is used for any purpose other than residential  
 26 use, except unimproved land, the tax under [said] subdivision (1) of  
 27 subsection (a) of this section shall be imposed at the rate of one per  
 28 cent of the consideration for the interest in real property conveyed; and  
 29 (2) in the case of any conveyance in which the real property conveyed  
 30 is a residential estate, including a primary dwelling and any auxiliary  
 31 housing or structures, for which the consideration in such conveyance  
 32 is eight hundred thousand dollars or more, the tax under [said]  
 33 subdivision (1) of subsection (a) of this section shall be imposed (A) at  
 34 the rate of one-half of one per cent on that portion of such  
 35 consideration up to and including the amount of eight hundred  
 36 thousand dollars, and (B) at the rate of one per cent on that portion of  
 37 such consideration in excess of eight hundred thousand dollars; and  
 38 (3) in the case of any conveyance in which real property on which  
 39 mortgage payments have been delinquent for not less than six months  
 40 is conveyed to a financial institution or its subsidiary which holds such  
 41 a delinquent mortgage on such property, the tax under [said]  
 42 subdivision (1) of subsection (a) of this section shall be imposed at the  
 43 rate of one-half of one per cent of the consideration for the interest in  
 44 real property conveyed.

|  |                     |
|--|---------------------|
| This act shall take effect as follows: |                     |
| Section 1                              | <i>from passage</i> |

***Statement of Purpose:***

To provide that leases of real property by associations to their members are conveyances subject to the real estate conveyance tax.

*[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]*